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State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

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September 26, 1996

TO:

Minerals File

FROM:

Tony Gallegos, Reclamation Engineer

RE:

Telephone Conversation, Golden Eagle Mining, Yerian Mine, S/047/034, (ML33378-SV)

Uintah County, Utah

Date:

September 23, 1996

Party:

Mary Ashton, Texas (903) 758-6382

Purpose:

To discuss the current status of the Yerian Mine and what is needed to close out the file

BACKGROUND:

This call was made in connection with a lease with Forestry, Fire and State Lands for lands within the bed of the Green River near Horseshoe Bend. Mary Ashton has continued to maintain this lease as the executor of her late husband who initially held the lease. The lease will expire on November 1, 1996. The information below is not a verbatim account of the discussion, but rather a recollection of the information pertinent to the current mine permit with the Division.

Mary described the general history of the mining at this site to the best of her knowledge. There have been numerous operators at this site over the years. The most recent operator has been Andy Babiy for Golden Eagle Mines out of Canada. Nestor Pukalo has replaced Mr. Babiy as the contact for Golden Eagle. Mary informed me that Andy Babiy had leased the site from Rex Walton. Another person who has been previously involved with the site is Frank Kelly (Doc Kelly). The land which the mine is located on is private lands which two women had acquired as heirs. One of the women is Dorthy Sanazaro. The Ashtons have a lease with these women for lands inland from the bed of the Green River (sec 35 T6S, R21E?).

Mary Ashton is familiar with Glenna Huff who visited the Division on August 12, 1996, to discuss the permitting requirements for mining on the Ashton's lease. Ms. Huff also talked with Edie Trimmer of Forestry, Fire and State Lands on that same day regarding possible acquisition of the leases or extensions.

Mary is interested in dropping the leases and clearing herself of any further responsibility for this mine site. Earlier this year she contacted Denise Dragoo, Attorney, to discuss the requirements of her lease. Nestor Pukalo has talked with her about moving the equipment currently on site to a new location which has not yet been decided upon. I informed Mary that the best time to reclaim the site would be while the equipment is still there to do it. Reclamation of the site would include removal of equipment, general cleanup of any debris, grading the disturbed areas and seeding. The ideal time to perform this would be in the fall, like the present. I mentioned that I may be out at the site as early as this week and I would copy her on any correspondence regarding the site.

